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Confidential Treatment

U.S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58 OF  
THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

For the quarterly period ended September 30, 2002

Pepco Holdings, Inc.  
Conectiv  
Conectiv Energy Holding Company  
ACE REIT, Inc.  
(Name of Registered Holding Companies)

701 Ninth Street, N.W.  
Washington, DC 20068  
(Address of Principal Executives Offices)

Inquiries concerning this Form U-9C-3 may  
be directed to:

Anthony J. Kamerick  
Vice President and Treasurer  
Pepco Holdings, Inc.  
701 Ninth Street, N.W.  
Washington, DC 20068  
(202) 872-2056

Pepco Holdings, Inc.  
FORM U-9C-3  
For the Quarter Ended September 30, 2002

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## **Item 1. - ORGANIZATION CHART**

| <u>Name of Reporting Company</u>          | <u>Energy or Gas<br/>Related<br/>Company</u> | <u>State of<br/>Organization</u> | <u>Date of<br/>Organization</u> | <u>% of<br/>Voting<br/>Securities<br/>Held</u> |
|---|--|----------------------------------|---------------------------------|--|
| Pepco Holdings, Inc.                      |  |                                  |                                 |  |
| Potomac Electric Power Company            |  |                                  |                                 |  |
| Microcell Corporation                     | Energy related                               | NC                               | 1/3/00                          | 5  |
| Pepco Energy Services, Inc.               | Energy related                               | DE                               | 3/7/95                          | 100  |
| Trigen-Pepco Energy Services, LLC         | Energy related                               | DC                               | 12/15/00                        | 50   |
| Viron/Pepco Services Partnership          | Energy related                               | DE                               | 9/30/99                         | 50   |
| PES Landfill Gas Corporation              | Energy related                               | DE                               | 5/31/02                         | 100  |
| Fauquier Landfill Gas, LLC                | Energy related                               | DE                               | 4/23/99                         | 75   |
| Pepco Building Services, Inc.             | Energy related                               | DE                               | 12/7/98                         | 100  |
| MET Electrical Testing Company, Inc.      | Energy related                               | DE                               | 12/7/98                         | 100  |
| Substation Test Company, Inc.             | Energy related                               | DE                               | 5/18/00                         | 100  |
| Seaboard Mechanical Services, Inc.        | Energy related                               | DE                               | 6/27/01                         | 100  |
| Engineered Services, Inc.                 | Energy related                               | DE                               | 11/27/00                        | 100  |
| Unitemp, Inc.                             | Energy related                               | DE                               | 5/31/01                         | 100  |
| G&L Mechanical Services, Inc.             | Energy related                               | DE                               | 12/5/00                         | 100  |
| Conectiv                                  |  |                                  |                                 |  |
| Conectiv Energy Holding Company           |  |                                  |                                 |  |
| Conectiv Energy Supply, Inc.              | Energy related                               | DE                               | 7/3/75                          | 100  |
| Conectiv Operating Services Company       | Energy related                               | DE                               | 5/8/87                          | 100  |
| Atlantic Generation, Inc.                 | Energy related                               | DE                               | 10/9/86                         | 100  |
| Vineland Limited, Inc.                    | Energy related                               | DE                               | 8/24/90                         | 100  |
| Vineland Cogen. Limited Partnership       | Energy related                               | DE                               | 9/27/90                         | 50   |
| Vineland General, Inc.                    | Energy related                               | DE                               | 8/24/90                         | 100  |
| Pedrick Gen., Inc.                        | Energy related                               | DE                               | 7/28/89                         | 100  |
| Binghamton Limited, Inc.                  | Energy related                               | DE                               | 5/2/90                          | 100  |
| Binghamton General, Inc.                  | Energy related                               | DE                               | 5/2/90                          | 100  |
| Conectiv Solutions LLC                    |  |                                  |                                 |  |
| Conectiv Services, Inc.                   |  |                                  |                                 |  |
| Conectiv Thermal Systems, Inc.            | Energy related                               | DE                               | 5/5/94                          | 100  |
| ATS Operating Services, Inc.              | Energy related                               | DE                               | 3/31/95                         | 100  |
| Atlantic Jersey Thermal Systems, Inc      | Energy related                               | DE                               | 5/10/94                         | 100  |
| Thermal Energy L.P. I                     | Energy related                               | DE                               |                                 | 100  |
| ATE Investment, Inc.                      |  |                                  |                                 |  |
| King Street Assurance Ltd.                |  |                                  |                                 |  |
| Enertech Capital Partners, LP             | Energy related                               | DE                               | 8/9/96                          | 94   |
| Enertech Capital Partners II, LP          | Energy related                               | DE                               | 4/14/00                         | 10   |
| Conectiv Properties and Investments, Inc. |  |                                  |                                 |  |
| DCTC-Burney, Inc.                         | Energy related                               | DE                               | 6/26/87                         | 100  |
| Forest Products, L.P.                     | Energy related                               | DE                               | 10/5/89                         | 1  |
| Burney Forest Products                    | Energy related                               | CA                               |                                 |  |
| Tech Leaders II, L.P.                     | Energy related                               | DE                               | 10/28/94                        | 2.6  |

## Item 2. - ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

### ISSUANCES AND RENEWALS OF SECURITIES

| <u>Company Issuing Security</u> | <u>Company To Whom Security Was Issued</u> | <u>Type of Security Issued</u> | <u>Issue or Renewal</u> | <u>Amount of Securities During Period(\$)</u> | <u>Interest Rate (%)</u> | <u>Cumulative Amount of Securities (\$)</u> |
|---------------------------------|--|--------------------------------|-------------------------|---|--------------------------|---|
| PHI Service Company, Agent      | Atlantic Generation, Inc.                  | Money Pool Advance             | Issue                   | *   | *                        | *   |
| PHI Service Company, Agent      | Conectiv Thermal Systems, Inc.             | Money Pool Advance             | Issue                   | *   | *                        | *   |
| PHI Service Company, Agent      | Pepco Energy Services, Inc.                | Money Pool Advance             | Issue                   | *   | *                        | *   |

Note: PHI Service Company serves as agent for the PHI System Money Pool.

### CAPITAL CONTRIBUTIONS:

| <u>Company Contributing Capital</u> | <u>Company Receiving Capital</u>  | <u>Amount During Period (\$)</u> | <u>Cumulative Amount(\$)</u> |
|-------------------------------------|-----------------------------------|----------------------------------|------------------------------|
| Conectiv                            | Enertech Capital Partners, LP     | *                                | *                            |
| Conectiv                            | Enertech Capital Partners II, LP  | *                                | *                            |
| Conectiv                            | Enerval                           | *                                | *                            |
| Pepco Energy Services, Inc.         | Trigen-Pepco Energy Services, LLC | *                                | *                            |
| Pepco Energy Services, Inc.         | Viron/Pepco Services Partnership  | *                                | *                            |
| Pepco Energy Services, Inc.         | Pepco Building Services, Inc.     | *                                | *                            |

Note: Enerval is no longer an active company.

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### Item 3. – ASSOCIATED TRANSACTIONS

Part I. - Transactions performed by reporting companies on behalf of associate companies.

| <u>Reporting Company<br/>Rendering Services</u> | <u>Associate Company<br/>Receiving Services</u> | <u>Types of Services<br/>Rendered</u> | <u>Direct Costs<br/>Charged (\$)</u> | <u>Indirect Costs<br/>Charged (\$)</u> | <u>Total Amount<br/>Billed (\$)</u> |
|---|---|---------------------------------------|--------------------------------------|--|-------------------------------------|
| Conectiv Operating Services Company             | Conectiv Thermal Systems, Inc.                  | Operating and Maintenance Services    | *                                    |  | *                                   |
| ATS Operating Services, Inc.                    | Conectiv Operating Services Company             | Labor                                 | *                                    |  | *                                   |
| Conectiv Operating Services Company             | Conectiv Bethlehem LLC                          | Operating and Maintenance Services    | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Delmarva Power & Light Company                  | Power and Capacity                    | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Conectiv Thermal Systems, Inc.                  | Gas                                   | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Delmarva Power & Light Company                  | Power                                 | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Pepco Energy Services, Inc.                     | Gas                                   | *                                    |  | *                                   |
| Pepco Energy Services, Inc.                     | Conectiv Energy Supply, Inc.                    | Gas                                   | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Pepco Energy Services, Inc.                     | Power                                 | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Pepco Energy Services, Inc.                     | Capacity                              | *                                    |  | *                                   |
| Potomac Power Resources, Inc.                   | Pepco Energy Services, Inc.                     | Capacity and Energy                   | *                                    |  | *                                   |
| Potomac Power Resources, Inc.                   | Pepco Energy Services, Inc.                     | Asset Management                      | *                                    |  | *                                   |
| Conectiv Energy Supply, Inc.                    | Potomac Power Resources, Inc.                   | Generation Asset Dispatch Services    | *                                    |  | *                                   |
| Substation Test Company, Inc.                   | W.A. Chester                                    | Maintenance                           | *                                    |  | *                                   |

| <u>Reporting Company<br/>Rendering Services</u> | <u>Associate Company<br/>Receiving Services</u> | <u>Types of Services<br/>Rendered</u> | <u>Direct Costs<br/>Charged (\$)</u> | <u>Indirect Costs<br/>Charged (\$)</u> | <u>Total Amount<br/>Billed (\$)</u> |
|---|---|---------------------------------------|--------------------------------------|--|-------------------------------------|
| MET Electrical Testing Company, Inc.            | W.A. Chester                                    | Maintenance                           | *                                    |  | *                                   |
| MET Electrical Testing Company, Inc.            | Conectiv Energy Supply, Inc.                    | Maintenance                           | *                                    |  | *                                   |
| G&L Mechanical Services, Inc.                   | Pepco Energy Services, Inc.                     | Maintenance                           | *                                    |  | *                                   |

\* Confidential Treatment Requested

Part II - Transactions performed by associate companies on behalf of reporting companies.

| <u>Associate Company<br/>Rendering Services</u> | <u>Reporting Company<br/>Receiving Services</u> | <u>Types of Services<br/>Rendered</u>            | <u>Direct Costs<br/>Charged (\$)</u> | <u>Indirect Costs<br/>Charged (\$)</u> | <u>Total Amount<br/>Billed (\$)</u> |
|---|---|--|--------------------------------------|--|-------------------------------------|
| Conectiv Delmarva Generation, Inc.              | Conectiv Energy Supply, Inc.                    | Electric Energy, Capacity and Ancillary Services | *                                    |  | *                                   |
| Conectiv Atlantic Generation, L.L.C.            | Conectiv Energy Supply, Inc.                    | Electric Energy, Capacity and Ancillary Services | *                                    |  | *                                   |
| Delmarva Power & Light Company                  | Conectiv Energy Supply, Inc.                    | PJM Expenses                                     | *                                    |  | *                                   |
| Potomac Electric Power Company                  | Conectiv Energy Supply, Inc.                    | Capacity   | *                                    |  | *                                   |
| Potomac Electric Power Company                  | Pepco Energy Services, Inc.                     | Inventory Management                             | *                                    |  | *                                   |

Note: PHI Service Company, the service company for the PHI System, provides services to various reporting companies. Such information is reported on the annual Form U-13-60.

\* Confidential Treatment Requested

**Item 4. - SUMMARY OF AGGREGATE INVESTMENT**

Investments in energy-related companies (in millions):

|   |           |        |
|---|-----------|--------|
| Total consolidated capitalization as of September 30, 2002            | \$9,331.9 | Line 1 |
| Total capitalization multiplied by 15%<br>(Line 1 multiplied by 0.15) | 1,399.8   | Line 2 |
| Greater of \$50 million or line 2                                     | \$1,399.8 | Line 3 |

Total current aggregate investment:  
(categorized by major line of energy-related business)

|  |     |
|--|-----|
| Energy-related business Category - Rule 58(b)(1)(i)    | \$* |
| Energy-related business Category - Rule 58(b)(1)(ii)   | *   |
| Energy-related business Category - Rule 58(b)(1)(iv)   | *   |
| Energy-related business Category - Rule 58(b)(1)(v)    | *   |
| Energy-related business Category - Rule 58(b)(1)(vi)   | *   |
| Energy-related business Category - Rule 58(b)(1)(vii)  | *   |
| Energy-related business Category - Rule 58(b)(1)(viii) | *   |

Total current aggregate investment Line 4

Difference between the greater of \$50 million or 15% of  
Capitalization and the total aggregate investment of the  
registered holding company system (line 3 less line 4) Line 5

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Investments in gas-related companies:

NONE

**Item 5. - OTHER INVESTMENTS**

Prior to the registration of Pepco Holdings, Inc. as a registered holding company on August 1, 2002, Potomac Electric Power Company and its subsidiaries had investments of approximately \$130.7 million in "energy-related companies." Such amount is excluded from the calculations in Item 4 above.

**Item 6. - FINANCIAL STATEMENTS AND EXHIBITS****A. Financial Statements:**

|      |   |
|------|---|
| FS-1 | Financial statements of Pepco Holdings, Inc. (incorporated by reference to the filing by Pepco Holdings, Inc. on Form 10-Q for the period ended September 30, 2002) |
| FS-2 | Financial statements of Conectiv (incorporated by reference to the filing by Conectiv on Form 10-Q for the period ended September 30, 2002)                         |
| FS-3 | Financial statements of Pepco Energy Services, Inc. and Subsidiaries (confidential treatment requested)   |
| FS-4 | Financial statements of Conectiv Energy Supply, Inc. and Subsidiary (confidential treatment requested)  |
| FS-5 | Financial statements of Atlantic Generation, Inc. and Subsidiaries (confidential treatment requested)   |
| FS-6 | Financial statements of Conectiv Thermal Systems, Inc. and Subsidiaries (confidential treatment requested)  |
| FS-7 | Financial statements of DCTC-Burney, Inc. (confidential treatment requested)  |

**B. Exhibits:**

B-2. Certificate of Conectiv

SIGNATURE

The undersigned registered holding company has duly caused this quarterly report to be signed on its behalf by the undersigned officer thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

PEPCO HOLDINGS, INC.

By: Anthony J. Kamerick  
Anthony J. Kamerick  
Vice President and Treasurer

December 18, 2002



**Certificate**

I hereby certify that the Form U-9C-3 for Conectiv for the previous quarter has been provided to the state commissions listed below:

Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

Maryland Public Service Commission  
6 St. Paul Centre, 16th Floor  
Baltimore, MD 21202

Virginia State Corporation Commission  
1300 E. Main Street  
Tyler Building  
Richmond, VA 23219

New Jersey Board of Public Utilities  
Two Gateway Center  
Newark, NJ 07102

CONNECTIV

By: Anthony J. Kamerick  
Anthony J. Kamerick  
Vice President and Treasurer

Date: December 18, 2002